GRANT STRUCTURES REVIEW COMMITTEE

FINAL REPORT

December 1985

Alberta

GRANT STRUCTURES REVIEW COMMITTEE

403/427-8861
Secretariat
11th Floor, Jarvis Building
9925-107 Street
Edmonton, Alberta, Canada
T5K 2H9

Honourable Julian Koziak
Minister of Municipal Affairs
224 Legislature Building
Edmonton, Alberta

Dear Mr. Minister:

Pursuant to its terms of reference, the undersigned have the honour of submitting to you the final report of the Grant Structures Review Committee.

The submission of this report follows twenty-one months of consultation with administrative officials of the Government of Alberta. The committee has appreciated the contributions to its work made by these officials.

When you have had an opportunity to consider the report, the members of the committee would be happy to meet with you to further explain any of the recommendations.

Respectfully submitted,

Alderman Olivia Butti

Alderman John Oldring, Chairman

Reeve Wallace Daley

Reeve Joe Smith

Advisory Councillor Orest Hrab

Councillor Jack Osadczuk

Tom Forgrave

Jack Fleming

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Summary of Recommendations

GENERAL POLICY RECOMMENDATIONS

A.1 THAT THE BUDGETARY ALLOCATION FOR TRANSFER PROGRAMS BE ADJUSTED ANNUALLY BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

A.2 THAT THE BUDGETARY ALLOCATION FOR TRANSFER PROGRAMS BE ADJUSTED ANNUALLY BY THE CHANGE IN THE TOTAL POPULATION OF ALBERTA AS DETERMINED UNDER THE PROPERTY TAX REDUCTION ACT.

A.3 THAT THE GRANT ANNOUNCEMENTS FOR THE NEXT CALENDAR YEAR BE MADE DURING PRECEDING YEAR.

A.4 THAT THE GOVERNMENT DEVELOP A MECHANISM FOR THE COORDINATION OF ITS PROGRAMS AND POLICIES AFFECTING MUNICIPALITIES. THIS MIGHT BE ACHIEVED THROUGH THE MUNICIPAL AFFAIRS CAUCUS COMMITTEE, A NEW MANDATE FOR THE DEPARTMENT OF MUNICIPAL AFFAIRS OR BY SOME NEW MEANS.

A.5 THAT THE ASSOCIATIONS OF ELECTED AND APPOINTED MUNICIPAL OFFICIALS DEVISE A MECHANISM WHICH WOULD HAVE THE MANDATE TO ACT AS A SINGLE POINT OF CONTACT FOR THE PROVINCE TO RECEIVE MUNICIPAL INPUT.

A.6 THAT THE GOVERNMENT ADOPT THE FOLLOWING GUIDELINES TO BE USED BY ALL DEPARTMENTS ADMINISTERING TRANSFER PROGRAMS TO MUNICIPALITIES:

1. THE PURPOSE IS TO BE DESCRIBED IN A MANNER WHICH MAY BE EASILY UNDERSTOOD BY THE PUBLIC.

2. THE DISTRIBUTION OF FUNDS IS TO BE BASED ON A FORMULA WHICH IS AS SIMPLE AND EQUITABLE AS POSSIBLE.

3. THE FUNDS AVAILABLE ARE KNOWN IN ADVANCE AND PREDICTABLE SO AS TO ENABLE MUNICIPALITIES TO PLAN FOR THEIR EFFECTIVE AND EFFICIENT USE.

4. ANY CONDITIONS FOR ELIGIBILITY ARE DESCRIBED IN A MANNER WHICH MAY BE EASILY UNDERSTOOD AT THE LOCAL LEVEL.

5. ANY CONDITIONS INTENDED TO APPLY TO SIZE ARE TO BE DESCRIBED IN TERMS OF POPULATION, NOT MUNICIPAL STATUS.

6. A PORTION OF THE ENTITLEMENT UNDER A CAPITAL GRANT PROGRAM MAY BE USED TO ESTABLISH AN ENDOWMENT FOR OPERATING SUPPORT.

PROGRAM RECOMMENDATIONS

ALBERTA AGRICULTURE

B.1 THAT THE AGRICULTURAL SERVICE BOARD PROGRAM BE CONTINUED AS A CONDITIONAL GRANT PROGRAM WITH 50% OF THE FUNDING OF AN APPROVED ANNUAL BUDGETED PROGRAM PAYABLE IN ADVANCE AND THE BALANCE AT YEAR END.(No further action is required.)

B.2 THAT THE BACTERIAL RING ROT CONTROL PROGRAM AND FUNDING BE TRANSFERRED TO THE AGRICULTURAL SERVICE BOARD PROGRAM.

B.3 THAT THE SEED CLEANING PLANT PROGRAM BE CONTINUED AS A CONDITIONAL GRANT PROGRAM BUT THAT THE REQUIREMENT THAT MUNICIPALITIES PICK UP ANY OPERATING DEFICITS BE DELETED FROM AGREEMENTS.

B.4 THAT THE HORTICULTURAL INFORMATION TO HOMEOWNERS AND GARDENERS PROGRAM BE CONTINUED.

B.5 THAT THE RAT CONTROL PROGRAM REMAIN THE FULL RESPONSIBILITY OF ALBERTA AGRICULTURE.

ALBERTA CULTURE

B.6 THAT THE CEMETERY RESTORATION ASSISTANCE PROGRAM BE CONTINUED AND EXPANDED AND THAT PROJECT LIMITS BE INCREASED FOR THE RESTORATION OF CEMETERIES WHERE LARGER MUNICIPALITIES ARE INCURRING SIGNIFICANT COSTS, UNTIL ALL OLDER CEMETERIES ARE RESTORED.

B.7 THAT THE HISTORICAL PUBLICATIONS ASSISTANCE PROGRAM BE CONTINUED.

B.8 THAT THE LOCAL RESTORATION ASSISTANCE PROGRAM BE AMENDED

(a) TO INCLUDE PRIVATE INDIVIDUALS OR CORPORATIONS AS ELIGIBLE RECIPIENTS WHO ARE OWNERS OF BUILDINGS OR SITES DESIGNATED BY THE MUNICIPAL COUNCIL AS A LOCAL HISTORIC RESOURCE, and

(b) TO INCREASE THE MAXIMUM GRANT PER PROJECT TO $15,000 AND THE ANNUAL PROGRAM BUDGET TO $250,000.

B.9 (a) THAT THE MAXIMUM GRANT AVAILABLE UNDER THE PROVINCIAL HISTORIC RESOURCE ASSISTANCE PROGRAM OVER A FIVE YEAR PERIOD BE 25% OF THE PROJECT COSTS OR THAT A SYSTEM OF TAX INCENTIVES BE INTRODUCED TO FUND PROJECTS OF THIS NATURE SO THAT IT IS A SIGNIFICANT INCENTIVE FOR LARGE PROVINCIAL HISTORIC RESOURCE PROJECTS, and

(b) THAT THE PROVINCE INCREASE THE ANNUAL PROVINCE-WIDE FUNDING AND TAX INCENTIVES SO THAT A SIGNIFICANT IMPACT WILL BE CREATED FOR THE PRESERVATION OF PUBLIC PROJECTS.

B.10 THAT THE MAXIMUM GRANTS UNDER THE REGISTERED HISTORIC RESOURCE ASSISTANCE PROGRAM BE INCREASED TO $15,000 PER YEAR OR $75,000 OVER A FIVE YEAR PERIOD.

B.11 THAT THE SPECIAL HISTORICAL PROJECT ASSISTANCE PROGRAM, MUNICIPAL INVENTORY ASSISTANCE PROGRAM AND THE PROVINCIAL INVENTORY ASSISTANCE PROGRAM AND THE RELATIVE BUDGET ALLOCATIONS BE COMBINED INTO ONE CONTINUING PROGRAM.

B.12 THAT THE MUSEUM ASSISTANCE PROGRAM BE CONTINUED.

B.13 (a) THAT THE LIBRARY GRANT REGULATIONS BE AMENDED TO PROVIDE THAT THE ANNUAL GRANT BE REDUCED BY THE SAME AMOUNT OR SAME PERCENTAGE (WHICHEVER IS LESS) AS THE MUNICIPAL REDUCTION IN FUNDING, and

(b) THAT THE PER CAPITA FUNDING UNDER THE LIBRARY GRANT PROGRAM BE INCREASED TO ACHIEVE A MORE FAVORABLE FUNDING ARRANGEMENT FOR MUNICIPALITIES.

B.14 THAT THE SENIOR CITIZENS FACILITY GRANT PROGRAM BE AMENDED TO ALLOW SENIOR CITIZEN ORGANIZATIONS TO CARRY OUT PROGRAMS IN PUBLIC OR PRIVATE BUILDINGS.

ALBERTA ECONOMIC DEVELOPMENT

B.15 THAT THE RAILWAY FACILITY RELOCATION PROGRAM BE CONTINUED.

ALBERTA ENVIRONMENT

B.16 THAT THE PROVINCIAL GOVERNMENT ACCEPT RESPONSIBILITY FOR PROVINCE-WIDE BITING FLY CONTROL PROGRAMS.

B.17 THAT THE FINANCIAL ASSISTANCE FOR WATER RESOURCE MANAGEMENT PROJECTS PROGRAM BE CONTINUED.

B.18 THAT THE RESOURCE RECOVERY PROGRAM BE RETAINED IN ITS PRESENT FORM.

B.19 THAT THE RECLAMATION PROGRAM FOR DERELICT LAND BE RETAINED IN ITS PRESENT FORM.

B.20 THAT THE CRITERIA FOR THE ALBERTA WASTE MANAGEMENT ASSISTANCE PROGRAM BE AMENDED

(a) TO PERMIT A SINGLE MUNICIPALITY WITH SUFFICIENT POPULATION TO REQUIRE A SANITARY LANDFILL SITE TO BE ELIGIBLE FOR FUNDING WHEN AGREEMENT CANNOT BE REACHED WITH ANOTHER MUNICIPALITY

(b) TO DEFINE "REGION" AS ANY TWO OR MORE MUNICIPALITIES, WHETHER URBAN OR RURAL.

ALBERTA MANPOWER

B.21 THAT THE PROVINCE CONTINUE TO FUND PROGRAMS THAT CREATE PRODUCTIVE EMPLOYMENT OPPORTUNITIES AND THAT

(a) WHEN PROGRAMS TERMINATE, NOTICE OF NEW PROGRAMS BE SENT OUT WELL IN ADVANCE TO ALLOW PLANNING TIME FOR MUNICIPALITIES

(b) NOTICE OF PROGRAMS AND APPLICATION FORMS BE SENT TO THE MUNICIPAL SECRETARY OF EACH MUNICIPALITY

(c) ESTABLISHED PROGRAM PRIORITIES OF MUNICIPALITIES BE ACCEPTED BY ALBERTA MANPOWER WHEN APPROVING MUNICIPAL PROJECTS

(d) FLEXIBILITY BE ALLOWED IN MUNICIPAL EMPLOYMENT PROGRAM ELEMENTS TO ENSURE THAT SMALLER MUNICIPALITIES CAN COMPLETE PROGRAMS WHICH MAY BE DELAYED BY WEATHER OR OTHER CIRCUMSTANCES.

ALBERTA HOUSING

B.22 THAT THE COMMUNITY HOUSING PROGRAM BE THE RESPONSIBILITY OF THE FEDERAL AND PROVINCIAL GOVERNMENTS AND THAT MUNICIPALITIES SHOULD NOT BE REQUIRED TO CONTRIBUTE FUNDING TO THIS PROGRAM.

AND, IN THE INTERIM:

B.23 (a) THAT IT IS ESSENTIAL THAT THIS PROGRAM BE FLEXIBLE IN ORDER TO DEAL WITH CHANGING CONDITIONS AND TO MEET THE NEEDS OF PEOPLE BY WAY OF SUBSIDIZED HOUSING. IT MIGHT BE MORE APPROPRIATE TO PROVIDE RENTAL SUBSIDIES RATHER THAN GRANTS FOR CAPITAL CONSTRUCTION OF HOUSING UNDER CERTAIN ECONOMIC CONDITIONS. (The committee notes that since its review of the program, the concept of rent supplements in private accommodation has been introduced.)

(b) THAT THE ALLOWABLE LAND COST OF $14,000 PER UNIT OF COMMUNITY HOUSING BE INCREASED TO $20,000.

B.24 (a) THAT IF NEW PROJECTS ARE TO BE UNDERTAKEN UNDER THE LAND PROGRAMS THEY SHOULD BE BASED ON THE POTENTIAL TO DEVELOP AND MARKET THE LAND AND THE ABILITY OF THE MUNICIPALITY TO REPAY IF THE LAND DOES NOT SELL.

(b) THAT THE GOVERNMENT TAKE ACTION TO ALLEVIATE THE IMPACT OF HIGH INTEREST RATES CHARGED ON EXISTING LOANS FOR LAND ACQUISITION UNDER THE PROGRAMS.

B.25 THAT THE SENIOR CITIZEN LODGE PROGRAM BE CONTINUED.

B.26 (a) THAT SENIOR CITIZEN HOUSING BE THE RESPONSIBILITY OF THE PROVINCE WITH 100% FUNDING. IF THIS IS NOT ACCEPTABLE THEN COSTS ASSOCIATED WITH MEDICAL, SOCIAL AND RECREATIONAL SERVICES SHOULD NOT BE BORNE BY MUNICIPALITIES AND FURTHER THAT MUNICIPALITIES BE ALLOWED TO ESTABLISH LOCAL RATES AND CHARGES.

(b) THAT THE GOVERNMENT PAY GRANTS-IN-LIEU OF TAXES ON SENIOR CITIZEN LODGES OR ALTERNATIVELY REMOVE THE MUNICIPAL TAX EXEMPTIONS.

B.27 THAT THE GOVERNMENT PAY GRANTS-IN-LIEU OF TAXES ON SENIOR CITIZEN SELF-CONTAINED HOUSING OR ALTERNATIVELY REMOVE THE MUNICIPAL TAX EXEMPTIONS ON PRIVATE SELF-CONTAINED HOUSING. (No further action necessary)

B.28 THAT A LETTER OF CREDIT SHOULD BE PROVIDED BY THE DEVELOPER(S) TO THE MUNICIPALITY WHEN REQUESTED IN CONNECTION WITH PROJECTS UNDER THE REVOLVING TRUNK SERVICING PROGRAM.

ALBERTA MUNICIPAL AFFAIRS

B.29 THAT THE MUNICIPAL ANNIVERSARY RECOGNITION PROGRAM BE CONTINUED.

B.30 THAT THE INTEREST SUBSIDY PROGRAM BE CONTINUED UNTIL ALL EXISTING ELIGIBLE DEBENTURES HAVE BEEN REPAID AND THAT THE ANNUAL REDUCTION IN FUNDS REQUIRED FOR THIS PROGRAM BE ADDED TO THE MUNICIPAL ASSISTANCE GRANT.

B.31 THAT THE MUNICIPAL ASSISTANCE GRANT PROGRAM BE CONTINUED AND THAT MUNICIPAL AFFAIRS REPORT ON THE FEASIBILITY OF INCLUDING COMPONENTS IN THE FORMULA TO DEAL WITH DISPARITIES IN THE AREA BASE COMPONENT FOR RURAL MUNICIPALITIES AND A HOUSEHOLD (DWELLING UNIT) COMPONENT IN URBAN MUNICIPALITIES.

B.32 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT FOR SENIOR CITIZENS BE CONTINUED AND EXPANDED TO INCLUDE LOCAL IMPROVEMENT CHARGES.

B.33 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT FOR NON-SENIOR HOMEOWNERS BE DISCONTINUED AND THAT THE FUNDS BUDGETED FOR THIS SEGMENT OF THE PROGRAM BE TRANSFERRED TO THE MUNICIPAL ASSISTANCE GRANT.

B.34 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT AVAILABLE TO SENIOR CITIZENS BE EXTENDED TO MENTALLY AND PHYSICALLY HANDICAPPED PERSONS UNDER THE AGE OF 65 WHO RESIDE IN THEIR OWN HOMES.

B.35 THAT THE SENIOR CITIZENS RENTAL ASSISTANCE PROGRAM BE RETAINED IN ITS PRESENT FORM.

ALBERTA PUBLIC SAFETY SERVICES

B.36 THAT THE COST-SHARED EQUIPMENT PROGRAM BE CONTINUED AND THAT FUNDING BE INCREASED TO PROVIDE FOR AN ADEQUATE PROVINCE WIDE EMERGENCY COMMUNICATIONS SYSTEM.

B.37 THAT THE DISASTER PREPAREDNESS FINANCIAL ASSISTANCE GRANT BE CONTINUED AND THAT INCREASED FUNDS FROM PROVINCIAL AND/OR FEDERAL SOURCES BE MADE AVAILABLE TO ALBERTA PUBLIC SAFETY SERVICES

(a) TO PROVIDE GRANT ASSISTANCE TO MUNICIPALITIES WHICH KEEPS PACE WITH INFLATIONARY AND OTHER COST INCREASES RECOGNIZING THE ESSENTIAL NATURE OF DISASTER READINESS ACTIVITIES

(b) SO THAT MORE ADEQUATE LEVELS OF SUPPORT MAY BE EXTENDED TO NEW AND DEVELOPING SMALLER COMMUNITIES TO ENABLE QUALIFIED LOCAL PERSONS TO DEVOTE ADEQUATE TIME AND EFFORT TO THE ESSENTIAL AREAS OF PLANNING AND PREPARATION FOR MAJOR EMERGENCIES OR DISASTERS

(c) TO ENABLE THEIR TRAINING AND ASSISTANCE PROGRAMS TO BE AUGMENTED AND EXPANDED IN SUCH AREAS AS DANGEROUS GOODS AND THEIR TRANSPORTATION, RESPONSE AND RESCUE RELATED TO PUBLIC TRANSPORT AND HEALTH CARE AND ISOLATED ENVIRONMENTS

(d) SO THAT INCREASED COOPERATION MAY BE PROMOTED AMONG MUNICIPALITIES IN MATTERS OF MUTUAL COOPERATION AND ASSISTANCE AND IN JOINT EXERCISE OF DISASTER PLANS WHERE ADVANTAGEOUS.

B.38 THE CRITERIA FOR DETERMINATION OF ASSISTANCE TO COMMUNITIES SHOULD INCORPORATE 'DEGREE OF DAMAGE' FACTORS IN ADDITION TO METEOROLOGICAL INFORMATION, SUCH AS SEVERITY OF RAINFALL, LOCALIZED DAMAGE AND OTHER FACTORS.

ALBERTA PUBLIC WORKS, SUPPLY AND SERVICES

B.39 THAT THE TIMING OF THE PAYMENT OF GRANTS-IN-LIEU OF TAXES BE EXPEDITED TO COINCIDE WITH THE NORMAL TAX PAYMENT SYSTEM OF THE MUNICIPALITY OR ALTERNATIVELY THAT THE GOVERNMENT PAY AN ADVANCE OF 75% OF THE PREVIOUS YEAR'S GRANT ON JUNE 1st.

B.40 THAT GRANTS-IN-LIEU OF TAXES BE PAID ON PROPERTIES CURRENTLY EXEMPTED UNDER LEGISLATION WHEN THOSE PROPERTIES SERVE A REGIONAL OR PROVINCIAL NEED RATHER THAN A LOCAL NEED ONLY.

ALBERTA RECREATION AND PARKS

B.41 THAT THE PER CAPITA ALLOTMENT OF GRANT DOLLARS UNDER THE COMMUNITY RECREATION/CULTURAL GRANT PROGRAM BE ADJUSTED ANNUALLY TO TAKE INTO ACCOUNT CHANGES IN THE RATE OF INFLATION.

B.42 THAT THE MUNICIPAL PARKS OPERATING PROGRAM BE CONTINUED AND THAT ANNUAL FUNDING BE INCREASED TO $100,000.

B.43 THAT THE RECREATION AREAS PROGRAM BE CONTINUED IN ITS PRESENT FORM.

B.44 THAT THE DISCOVER ALBERTA PROGRAM, BE FIT FOR LIFE PROGRAM AND THE HOSTING GRANTS PROGRAM BE COMBINED INTO A NEW SPECIAL INNOVATIVE PROGRAMS FUND.

B.45 THAT THE RECREATION FOR THE DISABLED, REGIONAL SPORT FESTIVAL AND TRAIL DEVELOPMENT FINANCIAL ASSISTANCE PROGRAMS BE CONTINUED.

B.46 THAT THE RECREATION WORK EXPERIENCE PROGRAM BE REVIEWED BY RECREATION AND PARKS AND MANPOWER TO SEE IF IT CAN BE MADE MORE EFFECTIVE FOR USE IN RURAL AREAS.

ALBERTA SOCIAL SERVICES AND COMMUNITY HEALTH

B.47 THAT THE PLANNING AND ADMINISTRATION COMPONENT OF THE FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM BE INCREASED SO AS TO PERMIT COST-SHARING OF A LARGER PROPORTION OF ACTUAL EXPENDITURES IN THESE AREAS IN ORDER TO ACHIEVE THE 80/20 COST-SHARING SPLIT.

B.48 THAT FUNDING FOR DIRECT SERVICES UNDER THE FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM BE ESTABLISHED AT A LEVEL SUFFICIENT TO ACHIEVE THE OBJECTIVE OF THE 80/20 COST-SHARING SPLIT BETWEEN THE PROVINCE AND THE MUNICIPALITIES.

ALBERTA SOLICITOR GENERAL

B.49 THAT THE LAW ENFORCEMENT GRANT BE UPDATED FOR INFLATION SINCE 1980, THEN INDEXED FOR INFLATIONARY INCREASES IN FUTURE YEARS AND THAT THE RATIO OF POPULATION PER CONSTABLE BE REVIEWED.

B.50 THAT THE PER CAPITA LAW ENFORCEMENT GRANT FOR MUNICIPALITIES CONTRACTING WITH THE R.C.M.P. BE THE SAME PERCENTAGE OF THE PER CAPITA AMOUNT PAID TO MUNICIPALITIES WITH THEIR OWN POLICE FORCES AS THE CONTRACTING MUNICIPALITIES PAY OF THE R.C.M.P. CONTRACT COST.

B.51 THAT THE COURT ROOM SECURITY GRANT BE INCREASED TO PROVIDE FUNDING FOR THE FULL COST OF COURT ROOM SECURITY.

B.52 THAT THE PROVINCE OF ALBERTA REIMBURSE MUNICIPALITIES FOR ALL OVERTIME COSTS ASSOCIATED WITH THE PROVISION OF POLICE WITNESSES.

B.53 THAT THE PROVINCE OF ALBERTA FUND ALL INCREMENTAL COSTS OF POLICING FOR STATE VISITS OR SPECIAL EVENTS OF A PROVINCIAL, NATIONAL OR INTERNATIONAL SIGNIFICANCE WHICH ARE NOT SUBJECT TO A PROVINCIAL/MUNICIPAL COST-SHARING AGREEMENT.

B.54 THAT THE BUDGET OF THE YOUTH GUIDANCE GRANT PROGRAM BE INCREASED TO PROVIDE 50% FUNDING FOR FULL TIME YOUTH RELATED PROGRAMS.

B.55 THAT THE LIQUOR CONTROL ACT PROGRAM BE INCREASED TO REIMBURSE MUNICIPALITIES FOR THE FULL COST OF HOLDING AN INTOXICATED PERSON.

B.56 THAT THE MUNICIPAL POLICE BUILDING SUBSIDY PROGRAM BE CONTINUED AND THAT AN ADDITIONAL COMPONENT BE ADDED TO ESTABLISH A MORE EQUITABLE FUNDING FORMULA FOR MAJOR URBAN MUNICIPALITIES.

B.57 THAT THE POLICE PHASE-IN GRANT BE CONTINUED.

B.58 THAT, DUE TO THE INCREASE IN WINTER RECREATION ACTIVITIES IN SUMMER VILLAGES INCLUDING ICE FISHING, SNOWMOBILING AND CROSS-COUNTRY SKIING, THE FUNDING FOR THE SUMMER VILLAGE POLICING PROGRAM BE INCREASED TO ALLOW FOR YEAR-ROUND POLICING IN SUMMER VILLAGES.

ALBERTA TOURISM AND SMALL BUSINESS

B.59 THAT A TOTAL REVIEW OF THE ALBERTA LOCATIONS PROGRAM BE UNDERTAKEN IN CONSULTATION WITH THE LOCAL COMMUNITIES TO DEVELOP A VIABLE PROGRAM.

ALBERTA TRANSPORTATION

B.60 THAT THE BASIC CAPITAL PROGRAM BE AMENDED TO INCLUDE RESIDENTIAL STREET CONSTRUCTION AND THAT THE PER CAPITA ALLOTMENT BE INCREASED FROM $70 TO $80 WITH THE $10 INCREMENT TO BE ALLOCATED TO REHABILITATION OF RESIDENTIAL STREETS.

B.61 THAT PROVISION BE MADE IN THE BASIC CAPITAL PROGRAM FOR A SPECIAL CATEGORY GRANT TO BE ADDED FOR SPECIAL PROJECTS OVER AN ABOVE NORMAL CONSTRUCTION.

B.62 THAT THE FUNDING FOR THE MAJOR CONTINUOUS CORRIDORS AND PRIMARY HIGHWAY CONNECTORS PROGRAM BE RESTORED TO $46 MILLION PER YEAR BASED ON THE AVERAGE FUNDING OVER THE PAST SIX YEARS.

B.63 THAT SUPPORT FOR CONVENTIONAL TRANSIT SYSTEMS UNDER THE PUBLIC TRANSIT OPERATING GRANT SHOULD BE BASED ON A TARGET OF 50% FROM SYSTEMS REVENUE, 25% FROM MUNICIPAL REVENUES AND 25% PROVINCIAL CONTRIBUTION.

B.64 THAT SUPPORT FOR PARA-TRANSIT SYSTEMS BE ENDORSED AND CONTINUED.

B.65 THAT FOR PURPOSES OF THE PRIMARY HIGHWAY MAINTENANCE GRANT THE DEFINITION OF 'PRIMARY HIGHWAY' BE AMENDED TO INCLUDE ROUTES IN CITIES ON WHICH TRUCK TRAFFIC MAY BE RESTRICTED WHERE ACCEPTABLE ALTERNATE TRUCK ROUTES ARE PROVIDED.

B.66 THAT A NEW COMPONENT BE ADDED TO THE AIRPORT DEVELOPMENT PROGRAM TO PROVIDE COST-SHARING OF THE OPERATION AND MAINTENANCE OF MUNICIPAL AIRPORTS WHICH ARE REQUIRED TO BE MAINTAINED TO LICENSED STANDARDS OF OPERATION.

B.67 THAT THE MINISTER OF TRANSPORTATION BE COMMENDED FOR SIMPLIFYING THE REGULATIONS RELATED TO THE ROAD GRANTS TO COUNTIES AND MUNICIPAL DISTRICTS.

B.68 THAT THE ENGINEERING ASSISTANCE GRANT PROGRAM BE MAINTAINED.

B.69 THAT THE STREET ASSISTANCE PROGRAM BE CONTINUED AND THAT THE CRITERIA FOR GRANTS TO SUMMER VILLAGES BE REVIEWED WITH CONSIDERATION BEING GIVEN TO BASING THE GRANT ON:

(a) THE NUMBER OF PROPERTIES IN THE SUMMER VILLAGE,

(b) THE NUMBER OF RESIDENCES IN THE SUMMER VILLAGE,

(c) THE NUMBER OF PROPERTIES PLUS A BONUS AMOUNT IF THE TRAFFIC COUNT ON AVERAGE IS MUCH ABOVE THE NORM FOR THE AREA, OR

(d) A COMBINATION OF SEASONAL AND PERMANENT RESIDENTS.

B.70 THAT THE RAILWAY CROSSING IMPROVEMENT PROGRAM AND THE CULVERT ASSISTANCE PROGRAM BE CONTINUED.

ALBERTA UTILITIES AND TELECOMMUNICATIONS

B.71 THAT THE UTILITIES OFFICER PROGRAM FUNDING BE ADJUSTED TO REFLECT INFLATION SINCE THE INCEPTION OF THE PROGRAM AND THAT MORE EMPHASIS BE PLACED ON ESTABLISHING TRAINING PROGRAMS ON A REGIONAL BASIS WITH FINANCIAL ASSISTANCE PROVIDED FOR TRAVEL AND SUBSISTENCE FOR PARTICIPANTS.

B.72 THAT THE RURAL GAS PROGRAM BE CONTINUED AND THAT THE FUNDING FOR REPLACEMENT OF SUBSTANDARD PCV PIPE BE ACCELERATED.

B.73 THAT THE ALBERTA WATER SUPPLY AND SEWAGE TREATMENT GRANT PROGRAM BE CONTINUED AND MODIFIED TO;

(a) INCLUDE AN ADDITIONAL COMPONENT FOR MUNICIPALITIES OVER 100,000 POPULATION WITH THE NECESSARY INCREASE IN THE GLOBAL BUDGET

(b) INCLUDE REHABILITATION AND RENEWAL OR REPLACEMENT OF EXISTING DISTRIBUTION AND COLLECTION FACILITIES.

B.74 THAT THE NORTHERN SUPPLEMENTARY FUND BE CONTINUED.

B.75 THAT THE REGIONAL UTILITY PROGRAM BE AMALGAMATED AS AN ELEMENT OF THE ALBERTA WATER SUPPLY AND SEWAGE TREATMENT GRANT PROGRAM AND THAT UNDER THE REGIONAL ELEMENT THE GRANT BENEFIT APPLY TO THE WHOLE FACILITY REQUIRED TO SERVE THE REGION REGARDLESS OF OWNERSHIP.

LONG TERM RECOMMENDATIONS

C.1 THAT THE GOVERNMENT OF ALBERTA APPROVE THE ESTABLISHMENT OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM AND DIRECT ALL NECESSARY ACTION TO BE TAKEN FOR FULL IMPLEMENTATION NO LATER THAN APRIL 1, 1990.

C.2 THAT THE ALBERTA PARTNERSHIP TRANSFER PROGRAM BE COMPOSED OF

(a) EQUITY COMPONENT - THE EXISTING MUNICIPAL ASSISTANCE GRANT PROGRAM (INCREASED BY THE ANNUAL REDUCTION IN FUNDS REQUIRED FOR THE MUNICIPAL DEBENTURE INTEREST REBATE PROGRAM) PAYABLE TO ALL MUNICIPALITIES .

(b) PER CAPITA COMPONENT

(i) POLICING -$A PER CAPITA TO MUNICIPALITIES WITH THEIR OWN POLICE FORCE, THE SAME PERCENTAGE OF $A PER CAPITA TO CONTRACTING MUNICIPALITIES AS THEY BEAR OF THE R.C.M.P. CONTRACT COST

(ii) RECREATION - $B PER CAPITA PAYABLE TO ALL MUNICIPALITIES

(iii) SOCIAL SERVICES - $C PER CAPITA PAYABLE TO ALL MUNICIPALITIES PARTICIPATING IN A FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM

(iv) TRANSPORTATION -

(a) $D PER CAPITA TO ALL CITIES (BASIC CAPITAL)

(b) $E PER CAPITA TO ALL MUNICIPALITIES OPERATING A PUBLIC TRANSIT SYSTEM

(c) $F PER CAPITA TO ALL MUNICIPALITIES OPERATING A PARA TRANSIT SYSTEM

(d) $G PLUS $H PER CAPITA TO ALL TOWNS AND VILLAGES (STREET ASSISTANCE)

(e) $I PLUS $J PER OCCUPIED RESIDENTIAL LOT TO ALL SUMMER VILLAGES (STREET ASSISTANCE)

C.3 THAT THE TOTAL BUDGETARY ALLOCATION FOR THE EQUITY COMPONENT BE ADJUSTED ANNUALLY BY THE CHANGE IN THE TOTAL POPULATION OF ALBERTA AS DETERMINED PURSUANT TO THE PROPERTY TAX REDUCTION ACT AND BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

C.4 THAT THE PER CAPITA AMOUNTS IN THE PER CAPITA COMPONENT BE ADJUSTED ANNUALLY BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

C.5 THAT UPON IMPLEMENTATION OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM THE FOLLOWING PROGRAMS BE TERMINATED:

-MUNICIPAL ASSISTANCE GRANT

-LAW ENFORCEMENT GRANT

-COMMUNITY RECREATION/CULTURAL GRANT

-FAMILY AND COMMUNITY SUPPORT SERVICES GRANT

-BASIC CAPITAL GRANT (URBAN TRANSPORTATION)

-PUBLIC TRANSPORTATION OPERATING ASSISTANCE

-STREETS ASSISTANCE PROGRAM

C.6 THAT THE IMPLEMENTATION OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM AND THE CONSIDERATION OF ITS EXPANSION TO INCLUDE ADDITIONAL COMPONENTS TO REPLACE OTHER EXISTING GRANT PROGRAMS BE THE SUBJECT OF ON-GOING DISCUSSION BY THE CONSULTATIVE MECHANISM DESCRIBED IN A.4 AND A.5.

BACKGROUND

In its 1982 report, the Minister's Advisory Committee on Municipal Finance recommended:

> "That a grant consolidation policy be introduced, in which:
>
> (a) The province provides conditional transfers to municipalities only for those programs essential to the provincial interest for delivery on a province-wide basis.
>
> (b) All other existing and future grant programs be consolidated to form an unconditional municipal funding source, this fund to be adjusted annually in accordance with changing economic circumstances.
>
> (c) Grant programs established for capital facilities include a component for support of annual operating costs.
>
> (d) As far as possible, new proposed grant programs for municipalities should be established with prior consultation of the municipal associations.
>
> (e) Provincial funding programs for municipalities be promulgated well in advance of municipal budget preparation, indicating amounts, availability and prerequisites."

In a joint submission commenting on the report, the Improvement Districts Association of Alberta (IDAA), the Alberta Association of Municipal Districts and Counties (AAMD & C) and the Alberta Urban Municipalities Association (AUMA) commented as follows:

> "There has been general agreement with this recommendation, but there also is agreement that more study is required before it is implemented.
>
> We therefore recommend there should not be immediate changes to the Provincial grant programs but that implementation studies should be started immediately to reform the existing grant system with an emphasis on improved local autonomy, better liaison between the provincial and municipal levels regarding grant programs and more timely announcement of grants to the municipalities.
>
> It is proposed that the three associations immediately establish an implementation committee who, in cooperation with the Provincial Government, would review the existing grant structure and prepare recommendations for changes."

In late 1983, the Minister of Municipal Affairs, the Honourable Julian Koziak, invited IDAA, AAMD & C and AUMA to nominate members to a committee to undertake the additional work proposed in the joint submission. On March 8, 1984, the Minister announced the appointment of the GRANT STRUCTURES REVIEW COMMITTEE composed of the associations' and department's representatives:

Improvement Districts Association of Alberta
Orest Hrab and Jack Osadczuk

Alberta Association of Municipal Districts and Counties
Reeve Wallace Daley and Reeve Joe Smith

Alberta Urban Municipalities Association
Alderman Olivia Butti and Alderman John Oldring

Alberta Municipal Affairs
Tom Forgrave and Jack Fleming.

The purposes of the committee were set out as follows:

"The purposes of the Committee shall be to:

(a) review the existing provincial grant programs;

(b) identify those which involve a heavy administrative burden or conditions which impact on the priorities of municipal councils;

(c) recommend methods by which the grant programs could be made more efficient or productive in meeting provincial and local goals and objectives and encouraging local fiscal accountability and responsibility."

The committee was authorized to make a series of reports or a comprehensive report, but in any case, to finalize its work by December 31, 1985. The committee decided to make a comprehensive report and to issue interim reports on any emergent matters that arose during the course of its deliberations.

The committee reviewed each grant program listed in the Alberta Municipal Affairs publication "Alberta Municipal Assistance Programs". Officials of the department or agency administering each program were invited to discuss the programs with the committee.

ACKNOWLEDGEMENTS

The committee appreciated the approach taken to these discussions by the government officials and wishes to acknowledge the valuable contributions made to its work by:

Agriculture

Dave Jantzie, Director, Engineering and Rural Services
Adolph Goettel, Soils Branch

Culture

Jack O'Neil, Deputy Minister
Rai Batra, Executive Director, Finance and Administration
Bill Byrne, Assistant Deputy Minister, Historical Resources
Joe Forsyth, Director, Library Services

Disaster Services (now Public Safety Services)

Ray Langman, Executive Director
Brian McNally, Director, Field Services

Economic Development

Vic Hamm, Director, Special Projects (Development)

Environment

Murray Ellis, Director, Special Projects

Housing

Murray Rasmusson, Deputy Minister

Manpower

Dave Chabillon, Executive Director, Career Development
Geoff Anderson, Director, Special Manpower Programs

Municipal Affairs

Archie Grover, Deputy Minister
Dave Gingara, Director, Grants and Subsidies
Ian Wight, Manager, Policy and Research

Public Works, Supply and Services

Gary Summers, Director, Acquisitions and Disposals
Blanche Parsons, Manager, Grants-in-Lieu of Taxes

Recreation and Parks

Keith Hembroff, Director, Financial Assistance Branch
Stan Fisher, Acting Director, Recreation Programs Branch

Social Services and Community Health

Gordon Thomas, Director, Family and Community Support Services
Melane Hotz, Director, Day Programs

Solicitor General

Ed Witherden, Director, Law Enforcement
Ron Smitten, Manager, Administrative Services

Tourism and Small Business

Ron Blake, Assistant Deputy Minister, Small Business

Transportation

Nestor Chorney, Assistant Deputy Minister, Regional Transportation
Leon Root, Assistant Deputy Minister, Urban Transportation and Planning
Marion Duncan, Executive Director, Urban Transportation

Utilities and Telecommunications

Doug Brooks, Assistant Deputy Minister, Gas Utilities
Dave Shillabeer, Executive Director, Municipal Utilities

The committee also wishes to acknowledge

- the assistance of the Alberta Urban Municipalities Association in making its board room available for the meetings of the committee;

- the individual municipalities which provided advice to the committee directly or through the relevant association;

- Mary Molloy, City of Edmonton, and Alan Gray, City of Calgary, for their continuing resource assistance to the committee;

- Improvement Districts Operations Division, Alberta Municipal Affairs; Town of Ponoka; Town of Drayton Valley; City of Edmonton; City of Calgary, for making various officials available as resource persons.

- Margaret Suelzle for typing and retyping the report; Susan Giles for typing its minutes.

INTERIM REPORTS

The committee has submitted two interim reports.

Alberta Municipal Housing Incentive Program

This program was designed to promote the construction of medium density housing and economic land development as well as to assist municipalities to finance the cost of growth. Municipalities received grants of $500 to $2,000 for each eligible dwelling unit constructed in the municipality. All municipalities were eligible under the program.

The program was initiated by the federal government in 1976 and was administered by Alberta Housing. Following 1979 the province took the program over and discontinued it in 1984. In its final year the program had a budget allocation of $10,000,000.

The committee supported the discontinuation of the program but it did not believe that the total transfer payments to municipalities should be reduced by virtue of cancellation of the program. Therefore, in July 1984 the committee submitted an interim report recommending that:

> "THE $10,000,000 BUDGETED FOR THE ALBERTA MUNICIPAL HOUSING INCENTIVE PROGRAM IN 1984-85 BE ADDED TO THE FUNDS BUDGETED FOR THE MUNICIPAL ASSISTANCE GRANT IN 1985-86."

The government responded to this recommendation by indicating that this special purpose housing program was terminated because it had achieved its objectives and was no longer required. It was also noted that taking funds from a special purpose program and placing them in an on-going program would eventually make it very difficult for the government to introduce any new programs to meet special needs as they arise.

MAJOR CULTURAL/RECREATIONAL FACILITY DEVELOPMENT PROGRAM

In August 1984, aware that the government was in the advanced stages of its consideration of the future of this program, the committee made an interim report recommending that the following principles be embodied in the replacement program:

(a) provide for adjustment of the funds available annually to reflect the rate of inflation;

(b) be for a pre-determined time period to permit responsible planning for the future;

(c) permit municipalities the flexibility to use the funds for capital or operating purposes according to priorities determined by the municipality for facilities or services;

(d) recognize municipal costs of administering the grant program as an appropriate use of the grant; and

(e) authorize any municipal official designated by the council to sign application forms certifying approval by the council of the application.

The committee also suggested that if these principles were adopted the Operational Financial Assistance Program, Project Cooperation and the Trail Development Assistance Program could all be combined with MCRFD in the new program.

The new Community Recreation/Cultural Grant Program announced in September 1984 did combine MCRFD, Project Cooperation and Operation Assistance. It provided for more flexibility in the use of the grant for operating or capital purposes, including planning and design.

FINAL REPORT

This report is organized in three sections:

A. GENERAL RECOMMENDATIONS - Policy recommendations affecting grant programs generally.

B. PROGRAM RECOMMENDATIONS - Recommendations arising from the review of specific programs.

C. LONG TERM RECOMMENDATIONS - Recommendations for the future of transfer programs.

SECTION A

GENERAL POLICY RECOMMENDATIONS

REVENUE SHARING

"Revenue sharing" has for some time been the motto of various municipal initiatives in Alberta and elsewhere to arrange an unconditional transfer of a known portion of provincial revenues to municipalities in order to ease the burden of property taxes.

Various arguments have been advanced in support of revenue sharing such as:

- property tax is a regressive tax which takes no account of ability to pay or of demand for services

- grant programs which are dependent on provincial budget decisions may disrupt local priorities, provide an inadequate basis for local financial planning and frequently the amounts available are not known until well into the municipal fiscal year.

The recommendations which the committee will offer during the course of its work will be aimed at:

- enabling cooperative provincial and local action to meet provincial and local goals and initiatives;

- eliminating as far as possible, consistent with proper accounting practices, the unproductive expenditure of public funds for administrative rather than program purposes;

- providing flexibility in grant programs so that local decisions will not be predicated simply on the availability of a grant program;

- recognizing the importance of identifying provincial and local participation in projects and programs;

- providing guidelines for grant programs which will, to the extent possible, recognize the validity of some of the arguments used to support revenue sharing.

However, the committee believes it important to emphasize that the Recommendations in Section B are steps toward revenue sharing and do not represent abandonment of the policy position which has been taken by the Alberta Urban Municipalities Association in particular. Further discussion of this is included in Section C of the report.

INFLATION

In its review of a number of grant programs the committee was frequently reminded by municipalities that the funding available had not been adjusted to keep pace with inflation. The effect has been that the provincial transfers have become increasingly less effective in achieving their original purposes. This produces tensions in provincial/municipal relationships because what may have started as an 80/20 cost-sharing program (provincial/municipal) and is still described as such, has become 75/25 or 70/30 without any change in the level of service.

For programs based on $ per capita or similar dollar calculations, the purchasing power of the money decreases and therefore the grant becomes less significant each year.

This, of course, would not be an issue if there was a true revenue sharing program. Until such is achieved, however, the committee recommends

A.1 THAT THE BUDGETARY ALLOCATION FOR TRANSFER PROGRAMS BE ADJUSTED ANNUALLY BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

The committee believes that if there is a decrease in the index, municipalities should and would be supportive of a similar downward adjustment in the budget allocation of transfer payments.

GROWTH

Similar representations have been received regarding the failure of transfer programs to be increased sufficiently to recognize growth, particularly of population. This is the case in the distribution formula used for some transfer programs but more importantly applies to the budgetary allocation for these programs.

The committee therefore recommends

A.2 THAT THE BUDGETARY ALLOCATION FOR TRANSFER PROGRAMS BE ADJUSTED ANNUALLY BY THE CHANGE IN THE TOTAL POPULATION OF ALBERTA AS DETERMINED UNDER THE PROPERTY TAX REDUCTION ACT.

As with inflation, the committee believes that municipalities should and would be supportive of a downward adjustment in the budget allocation of transfer payments if the total population reported pursuant to the Property Tax Reduction Act decreased.

TIMING OF GRANT ANNOUNCEMENTS

Municipalities are not informed of the transfer payments they can expect to receive until after the Budget Speech by the Provincial Treasurer, normally in late March of each year. By this time, however, municipalities are one-quarter of the way through their fiscal year.

This not only means that the municipality is operating for three months or so without knowing what transfer payments it can expect, but, since the budget cannot be finalized until the grants are known, it also means that the municipality cannot set its budget, determine its mill rate and begin to collect its own revenues until well into its fiscal year.

The committee, therefore, recommends

A.3 THAT THE GRANT ANNOUNCEMENTS FOR THE NEXT CALENDAR YEAR BE MADE DURING PRECEDING YEAR.

This would preferably be in the form of a "Local Authorities Transfers Budget" so that school funding would also be known and supplementary requisition calculations could be made earlier than at present.

CONSULTATION

A fourth general area of concern among municipalities is the perceived lack of consultation in advance of changes being made to grant programs. When it is noted that the total annual transfer to municipalities is in the order of $750 million, it will be recognized that changes in grant programs are of considerable significance and concern to municipalities.

It might also be noted that municipalities are not just another special interest group clamoring for the government's attention. Constitutionally the province has exclusive legislative jurisdiction for "municipal institutions" and delegates to municipalities responsibility and authority for services which, in the absence of such delegation, the province would have to provide. There is a real sense in which "partnership" is not only a popular buzz word but is also an accurate description of the relationship which should exist between the province and municipalities.

During the course of its meetings, the committee came to the realization that there is no mechanism within the structure of the provincial government which has the mandate to coordinate provincial policy on municipalities. There is, therefore, the potential for conflicting or inconsistent policy decisions.

Similarly, there is no mechanism among municipalities which has the mandate to act as the consultative focus for all municipalities. There is, therefore, the potential for conflicting or inconsistent advice from municipalities to the government.

The committee is of the opinion that full and open consultation is in the interest of the taxpayer who supports both provincial and municipal governments. The committee suggests that the achievement of such consultation would be greatly facilitated if there was "one window" to the provincial government and "one window" to municipalities.

Therefore, the committee recommends:

A.4 THAT THE GOVERNMENT DEVELOP A MECHANISM FOR THE COORDINATION OF ITS PROGRAMS AND POLICIES AFFECTING MUNICIPALITIES. THIS MIGHT BE ACHIEVED THROUGH THE MUNICIPAL AFFAIRS CAUCUS COMMITTEE, A NEW MANDATE FOR THE DEPARTMENT OF MUNICIPAL AFFAIRS OR BY SOME NEW MEANS.

A.5 THAT THE ASSOCIATIONS OF ELECTED AND APPOINTED MUNICIPAL OFFICIALS DEVISE A MECHANISM WHICH WOULD HAVE THE MANDATE TO ACT AS A SINGLE POINT OF CONTACT FOR THE PROVINCE TO RECEIVE MUNICIPAL INPUT.

It is recognized that individual Ministers or other provincial officials will still approach or be approached by individual municipalities or associations on matters of special concern. However, the committee believes that the acceptance of these recommendations will greatly facilitate provincial/municipal consultation. The two groups could then meet and work out guidelines and procedures for consultation.

TRANSFER PROGRAM GUIDELINES

While the committee is supportive of providing as large a portion as possible of the transfers unconditionally, it recognizes that some programs are required for specific purposes and would continue to be even with revenue sharing. The committee believes that there are some guidelines for good grant programs which the government should adopt.

Therefore, the committee recommends:

A.6 THAT THE GOVERNMENT ADOPT THE FOLLOWING GUIDELINES TO BE USED BY ALL DEPARTMENTS ADMINISTERING TRANSFER PROGRAMS TO MUNICIPALITIES:

1. THE PURPOSE IS TO BE DESCRIBED IN A MANNER WHICH MAY BE EASILY UNDERSTOOD BY THE PUBLIC.

2. THE DISTRIBUTION OF FUNDS IS TO BE BASED ON A FORMULA WHICH IS AS SIMPLE AND EQUITABLE AS POSSIBLE.

3. THE FUNDS AVAILABLE ARE TO BE KNOWN IN ADVANCE AND PREDICTABLE SO AS TO ENABLE MUNICIPALITIES TO PLAN FOR THEIR EFFECTIVE AND EFFICIENT USE.

4. ANY CONDITIONS FOR ELIGIBILITY ARE TO BE DESCRIBED IN A MANNER WHICH MAY BE EASILY UNDERSTOOD AT THE LOCAL LEVEL.

5. ANY CONDITIONS INTENDED TO APPLY TO SIZE ARE TO BE DESCRIBED IN TERMS OF POPULATION, NOT MUNICIPAL STATUS.

6. A PORTION OF THE ENTITLEMENT UNDER A CAPITAL GRANT PROGRAM MAY BE USED TO ESTABLISH AN ENDOWMENT FOR OPERATING SUPPORT.

SECTION B

PROGRAM RECOMMENDATIONS

AGRICULTURE

Agricultural Service Board Program

Some concern was expressed to the committee that local boards must front-end the costs for each quarter resulting in unnecessary accounting and administrative expense. The program is acknowledged as very high profile in rural municipalities but an advance payment could be made when the agreement is signed similar to the handling of transportation grants.

The committee therefore recommends:

B.1 THAT THE AGRICULTURAL SERVICE BOARD PROGRAM BE CONTINUED AS A CONDITIONAL GRANT PROGRAM WITH 50% OF THE FUNDING OF AN APPROVED ANNUAL BUDGETED PROGRAM PAYABLE IN ADVANCE AND THE BALANCE AT YEAR END.

The committee is pleased to note that following its discussion with Alberta Agriculture officials, in 1985 the program has been amended to provide for payment of 75% of the grant upon approval of the program submission and the balance at the end of the year. Therefore, NO FURTHER ACTION IS REQUIRED in response to the committee's recommendation.

Bacterial Ring Rot Control Policy

This program is available to rural municipalities where table stock potatoes are grown commercially. The committee noted that a wide range of agricultural activities were already included in the Agricultural Service Board Program and that bacterial ring rot control could be added as another element within that program.

The committee therefore recommends:

B.2 THAT THE BACTERIAL RING ROT CONTROL PROGRAM AND FUNDING BE TRANSFERRED TO THE AGRICULTURAL SERVICE BOARD PROGRAM.

Seed Cleaning Plant Program

The committee recognized this program as significant in rural areas and supports the provincial/municipal/association sharing of capital costs. The committee, however, questions the requirement that the municipality be responsible for any operating deficit. While it is recognized that this responsibility may result in more efficient operation of seed cleaning plants, it does not seem appropriate that property tax revenue raised from farmers in one part of the rural municipality (or from non-farm taxpayers) should be used to subsidize the deficit of a seed cleaning plant at a distant location which they do not use and which it may be impractical for them to use.

The committee therefore recommends:

B.3 THAT THE SEED CLEANING PLANT PROGRAM BE CONTINUED AS A CONDITIONAL GRANT PROGRAM BUT THAT THE REQUIREMENT THAT MUNICIPALITIES PICK UP ANY OPERATING DEFICITS BE DELETED FROM AGREEMENTS.

Horticultural Information to Homeowners and Gardeners

This program provides a valuable service to city residents in answering inquiries which would normally be directed to Alberta Agriculture offices in other parts of the province.

The committee therefore recommends:

B.4 THAT THE HORTICULTURAL INFORMATION TO HOMEOWNERS AND GARDENERS PROGRAM BE CONTINUED.

Rat Control Program

At the time of the committee review this program provided assistance to the six rural municipalities along the Saskatchewan border for the inspection of premises and control of rats. Subsequently Alberta Agriculture has undertaken full funding and administration of the program.

The committee therefore recommends:

B.5 THAT THE RAT CONTROL PROGRAM REMAIN THE FULL RESPONSIBILITY OF ALBERTA AGRICULTURE.

CULTURE

Cemetery Restoration Assistance Program

This program offers a one-time grant to assist in restoring pre-1945 inactive cemeteries or inactive sections of existing cemeteries that are still in use. It is available to municipalities and a variety of other organizations. The committee noted that the $2000 maximum on the grant makes it inappropriate for municipalities with large older established cemeteries.

The committee therefore recomends:

B.6 THAT THE CEMETERY RESTORATION ASSISTANCE PROGRAM BE CONTINUED AND EXPANDED AND THAT PROJECT LIMITS BE INCREASED FOR THE RESTORATION OF CEMETERIES WHERE LARGER MUNICIPALITIES ARE INCURRING SIGNIFICANT COSTS, UNTIL ALL OLDER CEMETERIES ARE RESTORED.

Historical Publications Assistance Program

The committee believes this program serves a useful purpose and therefore recommends:

B.7 THAT THE HISTORICAL PUBLICATIONS ASSISTANCE PROGRAM BE CONTINUED.

Local Restoration Assistance Program

This program provides grants to municipalities and other organizations to aid in the restoration of a local historic resource in the amount of 50% of approved project costs to a maximum of $5000. The committee noted that some local historic resources are privately owned and that achievement of the purpose of the program could be facilitated if assistance was available to private owners similar to the Provincial Historic Resource Restoration Program. Additionally, the $5000 maximum grant is not considered sufficient incentive to undertake the scope of work envisioned by the program.

The committee therefore recommends:

B.8 THAT THE LOCAL RESTORATION ASSISTANCE PROGRAM BE AMENDED

(a) TO INCLUDE PRIVATE INDIVIDUALS OR CORPORATIONS AS ELIGIBLE RECIPIENTS WHO ARE OWNERS OF BUILDINGS OR SITES DESIGNATED BY THE MUNICIPAL COUNCIL AS A LOCAL HISTORIC RESOURCE, and

(b) TO INCREASE THE MAXIMUM GRANT PER PROJECT TO $15,000 AND THE ANNUAL PROGRAM BUDGET TO $250,000.

Provincial Historic Resource Assistance Program

In reviewing this program the committee concluded that the maximum grant should be increased if the program is to achieve the purposes for which it is intended. The committee also believes that tax incentives, as opposed to grants, may be more effective. The yearly and 5-year caps on the grant should be removed.

Therefore, the committee recommends:

B.9 (a) THAT THE MAXIMUM GRANT AVAILABLE UNDER THE PROVINCIAL HISTORIC RESOURCE ASSISTANCE PROGRAM OVER A FIVE YEAR PERIOD BE 25% OF THE PROJECT COSTS OR THAT A SYSTEM OF TAX INCENTIVES BE INTRODUCED TO FUND PROJECTS OF THIS NATURE SO THAT IT IS A SIGNIFICANT INCENTIVE FOR LARGE PROVINCIAL HISTORIC RESOURCE PROJECTS, and

(b) THAT THE PROVINCE INCREASE THE ANNUAL PROVINCE-WIDE FUNDING AND TAX INCENTIVES SO THAT A SIGNIFICANT IMPACT WILL BE CREATED FOR THE PRESERVATION OF PUBLIC PROJECTS.

Registered Historic Resource Assistance Program

The committee concluded that the maximum grants under this program were insufficient incentive to achieve its objectives.

The committee therefore recommends:

B.10 THAT THE MAXIMUM GRANTS UNDER THE REGISTERED HISTORIC RESOURCE ASSISTANCE PROGRAM BE INCREASED TO $15,000 PER YEAR OR $75,000 OVER A FIVE YEAR PERIOD.

Special Historical Project Assistance Program
Municipal Inventory Assistance Program
Provincial Inventory Assistance Program

In reviewing these programs the committee noted that all three have similar objectives related to researching and compiling data on historic sites or events.

The committee therefore recommends:

B.11 THAT THE SPECIAL HISTORICAL PROJECT ASSISTANCE PROGRAM, MUNICIPAL INVENTORY ASSISTANCE PROGRAM AND THE PROVINCIAL INVENTORY ASSISTANCE PROGRAM AND THE RELATIVE BUDGET ALLOCATIONS BE COMBINED INTO ONE CONTINUING PROGRAM.

Museum Assistance Program

The committee recommends:

B.12 THAT THE MUSEUM ASSISTANCE PROGRAM BE CONTINUED.

Library Grant

The committee noted with concern the provisions of the library grant regulation that if the amount of the appropriation for a library is reduced, the amount of the grant is to be reduced by the same dollar amount in the subsequent year. If the municipal appropriation is above the amount required to qualify for the maximum grant there would appear to be little rationale for reducing the grant. It would also seem more appropriate that the reduction be the same percentage of the grant as the percentage reduction in the appropriation.

Secondly, the committee views a library as an integral part of the education system, both formal and informal. The committee notes that there have been several resolutions from municipal associations requesting indexing or increase in the library grant funds.

Therefore, the committee recommends:

B.13 (a) THAT THE LIBRARY GRANT REGULATIONS BE AMENDED TO PROVIDE THAT THE ANNUAL GRANT BE REDUCED BY THE SAME AMOUNT OR SAME PERCENTAGE (WHICHEVER IS LESS) AS THE MUNICIPAL REDUCTION IN FUNDING, and

(b) THAT THE PER CAPITA FUNDING UNDER THE LIBRARY GRANT PROGRAM BE INCREASED TO ACHIEVE A MORE FAVORABLE FUNDING ARRANGEMENT FOR MUNICIPALITIES.

Senior Citizens Facility Grant Program

The committee noted that this grant may only be used in publicly owned buildings. The committee agrees that the grant should only be available to incorporated non-profit organizations but suggests that the effectiveness of the program could be improved if the organization could use the grant in respect to activities it carries out in privately owned buildings.

Therefore, the committee recommends:

B.14 THAT THE SENIOR CITIZENS FACILITY GRANT PROGRAM BE AMENDED TO ALLOW SENIOR CITIZEN ORGANIZATIONS TO CARRY OUT PROGRAMS IN PUBLIC OR PRIVATE BUILDINGS.

ECONOMIC DEVELOPMENT

Railway Facility Relocation Program

This program is not a grant program in that any projects undertaken are expected to be self-liquidating if not providing a return on investment. While this requirement has caused some concern where railway relocation is considered desirable but could not be shown to be self-liquidating, the committee is satisfied that the requirement is reasonable.

Therefore, the committee recommends:

B.15 THAT THE RAILWAY FACILITY RELOCATION PROGRAM BE CONTINUED.

ENVIRONMENT

Biting Fly Control Financial Assistance Program

This program provides assistance for mosquito abatement programs. The committee is concerned that the effectiveness of the program is limited since it is not coordinated on a province-wide basis.

Therefore, the committee recommends:

B.16 THAT THE PROVINCIAL GOVERNMENT ACCEPT RESPONSIBILITY FOR PROVINCE-WIDE BITING FLY CONTROL PROGRAMS.

Financial Assistance for Water Resource Management Projects

The committee is aware of concerns regarding the 75/25 provincial/municipal cost-sharing formula on soil erosion control projects where the total costs exceed $500,000. It has been suggested that 90/10 would be more appropriate in these cases. It has also been suggested that there should be an advance of a portion of the grant when the contract is signed.

The committee therefore recommends:

B.17 THAT THE FINANCIAL ASSISTANCE FOR WATER RESOURCE MANAGEMENT PROJECTS PROGRAM BE CONTINUED.

Resource Recovery Program

The committee recommends:

B.18 THAT THE RESOURCE RECOVERY PROGRAM BE RETAINED IN ITS PRESENT FORM.

Reclamation Program for Derelict Land

The committee recommends:

B.19 THAT THE RECLAMATION PROGRAM FOR DERELICT LAND BE RETAINED IN ITS PRESENT FORM.

Alberta Waste Management Assistance Program

The committee noted that the objective of the program is "to promote environmentally sound waste management throughout the province" but that it is limited to regional waste management authorities. This means that urban municipalities which are unable to find at least one urban and one rural municipality to participate are denied access to the program. Similarly a rural municipality which cannot attract two urban partners cannot qualify.

The committee therefore recommends:

B.20 THAT THE CRITERIA FOR THE ALBERTA WASTE MANAGEMENT ASSISTANCE PROGRAM BE AMENDED

(a) TO PERMIT A SINGLE MUNICIPALITY WITH SUFFICIENT POPULATION TO REQUIRE A SANITARY LANDFILL SITE TO BE ELIGIBLE FOR FUNDING WHEN AGREEMENT CANNOT BE REACHED WITH ANOTHER MUNICIPALITY

(b) TO DEFINE "REGION" AS ANY TWO OR MORE MUNICIPALITIES, WHETHER URBAN OR RURAL.

MANPOWER

Summer Temporary Employment Program
Priority Employment Program
Alberta Environment Employment Program

The committee recognizes the considerable benefits obtained by municipalities under these programs enabling projects and services which could not otherwise be provided. The committee believes, however, that some criteria and administrative adjustments could prove beneficial in achieving the objectives of such programs.

Therefore, the committee recommends:

B.21 THAT THE PROVINCE CONTINUE TO FUND PROGRAMS THAT CREATE PRODUCTIVE EMPLOYMENT OPPORTUNITIES AND THAT

(a) WHEN PROGRAMS TERMINATE, NOTICE OF NEW PROGRAMS BE SENT OUT WELL IN ADVANCE TO ALLOW PLANNING TIME FOR MUNICIPALITIES

(b) NOTICE OF PROGRAMS AND APPLICATION FORMS BE SENT TO THE MUNICIPAL SECRETARY OF EACH MUNICIPALITY

(c) ESTABLISHED PROGRAM PRIORITIES OF MUNICIPALITIES BE ACCEPTED BY ALBERTA MANPOWER WHEN APPROVING MUNICIPAL PROJECTS

(d) FLEXIBILITY BE ALLOWED IN MUNICIPAL EMPLOYMENT PROGRAM ELEMENTS TO ENSURE THAT SMALLER MUNICIPALITIES CAN COMPLETE PROGRAMS WHICH MAY BE DELAYED BY WEATHER OR OTHER CIRCUMSTANCES.

ALBERTA MORTGAGE AND HOUSING CORPORATION

Community Housing Program

The committee, after considerable discussion, concluded that housing is properly a provincial or federal responsibility.

Therefore, the primary recommendation of the committee is:

B.22 THAT THE COMMUNITY HOUSING PROGRAM BE THE RESPONSIBILITY OF THE FEDERAL AND PROVINCIAL GOVERNMENTS AND THAT MUNICIPALITIES SHOULD NOT BE REQUIRED TO CONTRIBUTE FUNDING TO THIS PROGRAM.

However, in the interim, the committee makes the following recommendations for improvement of the existing program:

B.23 (a) THAT IT IS ESSENTIAL THAT THE COMMUNITY HOUSING PROGRAM BE FLEXIBLE IN ORDER TO DEAL WITH CHANGING CONDITIONS AND TO MEET THE NEEDS OF PEOPLE BY WAY OF SUBSIDIZED HOUSING. IT MIGHT BE MORE APPROPRIATE TO PROVIDE RENTAL SUBSIDIES RATHER THAN GRANTS FOR CAPITAL CONSTRUCTION OF HOUSING UNDER CERTAIN ECONOMIC CONDITIONS. (The committee notes that since its review of the program, the concept of rent supplements in private accommodation has been introduced.)

(b) THAT THE ALLOWABLE LAND COST OF $14,000 PER UNIT OF COMMUNITY HOUSING BE INCREASED TO $20,000.

Alberta Industrial Land Program
Alberta Residential Land Program

The committee reports that IT IS QUESTIONABLE THAT MUNICIPALITIES SHOULD BE INVOLVED IN GOVERNMENT-FUNDED LAND PROGRAMS although it recognizes that these may be the only opportunity for land development in smaller communities.

The committee recommends:

B.24 (a) THAT IF NEW PROJECTS ARE TO BE UNDERTAKEN UNDER THE LAND PROGRAMS THEY SHOULD BE BASED ON THE POTENTIAL TO DEVELOP AND MARKET THE LAND AND THE ABILITY OF THE MUNICIPALITY TO REPAY IF THE LAND DOES NOT SELL.

(b) THAT THE GOVERNMENT TAKE ACTION TO ALLEVIATE THE IMPACT OF HIGH INTEREST RATES CHARGED ON EXISTING LOANS FOR LAND ACQUISITION UNDER THE PROGRAMS.

(The committee is aware that the interest charges have been suspended since 1983. However, the book value of lands in inventory exceeds current market value in many instances. The committee is also aware that AMHC has not enforced the buy-back provision of some agreements which have expired, however, a consistent provincial policy is essential.)

Senior Citizen Lodge Program

The committee recommends:

B.25 THAT THE SENIOR CITIZEN LODGE PROGRAM BE CONTINUED.

Lodge Assistance Program

The committee discussed some of the problems associated with lodges. In some areas the vacancy rate is becoming significant, perhaps partly attributable to the construction of self-contained senior citizen apartments competing for the same clientele. In other areas, a shortage of nursing home beds results in lodges housing persons requiring nursing care which adds to the deficit. In all cases the province sets the rates and municipalities are required to pick up the operating deficits which are now widespread.

The committee therefore recommends:

B.26 (a) THAT SENIOR CITIZEN HOUSING BE THE RESPONSIBILITY OF THE PROVINCE WITH 100% FUNDING. IF THIS IS NOT ACCEPTABLE THEN COSTS ASSOCIATED WITH MEDICAL, SOCIAL AND RECREATIONAL SERVICES SHOULD NOT BE BORNE BY MUNICIPALITIES AND FURTHER THAT MUNICIPALITIES BE ALLOWED TO ESTABLISH LOCAL RATES AND CHARGES.

(b) THAT THE GOVERNMENT PAY GRANTS-IN-LIEU OF TAXES ON SENIOR CITIZEN LODGES OR ALTERNATIVELY REMOVE THE MUNICIPAL TAX EXEMPTIONS.

Senior Citizen Self-Contained Program

The committee expressed concern that no municipal taxes were paid on these units and no grants-in-lieu of taxes were received.

The committee therefore recommends

B.27 THAT THE GOVERNMENT PAY GRANTS-IN-LIEU OF TAXES ON SENIOR CITIZEN SELF-CONTAINED HOUSING OR ALTERNATIVELY REMOVE THE MUNICIPAL TAX EXEMPTIONS ON PRIVATE SELF-CONTAINED HOUSING.

(The committee notes that subsequent to its review of the program the government has initiated programs to provide grants-in-lieu of taxes on units owned by Alberta Mortgage and Housing Corporation and grants in respect of units owned by non-profit organizations equivalent to the municipal taxes. Therefore, NO FURTHER ACTION IS NECESSARY.)

Revolving Trunk Servicing Program

The committee recommends:

B.28 THAT A LETTER OF CREDIT SHOULD BE PROVIDED BY THE DEVELOPER(S) TO THE MUNICIPALITY WHEN REQUESTED IN CONNECTION WITH PROJECTS UNDER THE REVOLVING TRUNK SERVICING PROGRAM.

MUNICIPAL AFFAIRS

Municipal Anniversary Recognition Program

The committee recommends:

B.29 THAT THE MUNICIPAL ANNIVERSARY RECOGNITION PROGRAM BE CONTINUED.

Interest Subsidy Program

The committee recommends:

B.30 THAT THE INTEREST SUBSIDY PROGRAM BE CONTINUED UNTIL ALL EXISTING ELIGIBLE DEBENTURES HAVE BEEN REPAID AND THAT THE ANNUAL REDUCTION IN FUNDS REQUIRED FOR THIS PROGRAM BE ADDED TO THE MUNICIPAL ASSISTANCE GRANT.

Municipal Assistance Grant

The committee notes that this is a purely unconditional grant program and recommends:

B.31 THAT THE MUNICIPAL ASSISTANCE GRANT PROGRAM BE CONTINUED AND THAT MUNICIPAL AFFAIRS REPORT ON THE FEASIBILITY OF INCLUDING COMPONENTS IN THE FORMULA TO DEAL WITH DISPARITIES IN THE AREA BASE COMPONENT FOR RURAL MUNICIPALITIES AND A HOUSEHOLD (DWELLING UNIT) COMPONENT IN URBAN MUNICIPALITIES.

(A specific proposal from the Improvement Districts Association of Alberta is included for information as Appendix A of this report.)

Property Tax Reduction Benefits

This program ensures a minimum benefit to all homeowners as a result of the school foundation property tax reduction of $200 and to senior citizens and persons eligible under the Widows Pension Act of $1000. Local improvement charges are not eligible.

The committee is aware that some municipalities have financed various capital projects (which could more appropriately have been local improvements) by way of general debenture in order that senior citizens could use their minimum benefit entitlement. The committee does not believe that municipal financing decisions should be so strongly influenced by a program of assistance to a particular segment of the population.

The committee is also aware that in the order of 75,000 applications are made each year by non-senior citizen homeowners with an average payment of about $80. $375,000 in commission fees are paid to municipalities for processing these applications. The benefits paid range from less than $2.00 to more than $150.00.

The committee views it as significant that 65% of the applicants receive $100 or less. In its program to phase-in the increase in school foundation program taxes paid by property owners in the areas annexed to Edmonton in 1982, the province included a provision that grants of less than $100 would not be paid.

It is also significant that only about 11% of homeowners receive a benefit under this segment of the program. The committee is of the opinion that the interests of all Albertans would be better served if the money budgeted for this segment of the program was transferred to the municipal assistance grant thereby providing the benefit to all Albertans. This would result in an additional $6,375,000 being available in 1986/87 in unconditional grants with no increase in the provincial budget. It would also result in a reduction of 2 man-years in the administration of the program at the provincial level and reduced administrative activity in municipal offices.

The committee therefore recommends:

B.32 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT FOR SENIOR CITIZENS BE CONTINUED AND EXPANDED TO INCLUDE LOCAL IMPROVEMENT CHARGES.

B.33 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT FOR NON-SENIOR HOMEOWNERS BE DISCONTINUED AND THAT THE FUNDS BUDGETED FOR THIS SEGMENT OF THE PROGRAM BE TRANSFERRED TO THE MUNICIPAL ASSISTANCE GRANT.

The committee is supportive of continuing the senior citizen portion of the program because it assists in enabling senior citizens to remain in their own homes rather than moving to subsidized public accommodation. For similar reasons the committee believes that mentally and physically handicapped persons under 65 years of age should be eligible for the benefit.

The committee therefore recommends:

B.34 THAT THE PROPERTY TAX REDUCTION PROGRAM MINIMUM BENEFIT AVAILABLE TO SENIOR CITIZENS BE EXTENDED TO MENTALLY AND PHYSICALLY HANDICAPPED PERSONS UNDER THE AGE OF 65 WHO RESIDE IN THEIR OWN HOMES.

Senior Citizens Rental Assistance Program

The committee recommends:

B.35 THAT THE SENIOR CITIZENS RENTAL ASSISTANCE PROGRAM BE RETAINED IN ITS PRESENT FORM.

PUBLIC SAFETY SERVICES (formerly Disaster Services)

Cost-Shared Equipment Program

The committee believes this program serves a useful purpose in ensuring the availability across the province of equipment required to deal with emergencies. However, the committee received several representations suggesting that there is a less than satisfactory communications network across the province between emergency response agencies. The committee believes it desirable to utilize the latest state of the art technology to establish a satisfactory province-wide communications network and that the budget of this program should be increased to achieve that purpose.

The committee therefore recommends:

B.36 THAT THE COST-SHARED EQUIPMENT PROGRAM BE CONTINUED AND THAT FUNDING BE INCREASED TO PROVIDE FOR AN ADEQUATE PROVINCE WIDE EMERGENCY COMMUNICATIONS SYSTEM.

Disaster Preparedness Financial Assistance Grant

The committee believes this program has a worthwhile objective but is concerned that costs are increasing annually and the grants are not keeping pace with inflation.

The committee therefore recommends:

B.37 THAT THE DISASTER PREPAREDNESS FINANCIAL ASSISTANCE GRANT BE CONTINUED AND THAT INCREASED FUNDS FROM PROVINCIAL AND/OR FEDERAL SOURCES BE MADE AVAILABLE TO ALBERTA PUBLIC SAFETY SERVICES

(a) TO PROVIDE GRANT ASSISTANCE TO MUNICIPALITIES WHICH KEEPS PACE WITH INFLATIONARY AND OTHER COST INCREASES RECOGNIZING THE ESSENTIAL NATURE OF DISASTER READINESS ACTIVITIES

(b) SO THAT MORE ADEQUATE LEVELS OF SUPPORT MAY BE EXTENDED TO NEW AND DEVELOPING SMALLER COMMUNITIES TO ENABLE QUALIFIED LOCAL PERSONS TO DEVOTE ADEQUATE TIME AND EFFORT TO THE ESSENTIAL AREAS OF PLANNING AND PREPARATION FOR MAJOR EMERGENCIES OR DISASTERS

(c) TO ENABLE THEIR TRAINING AND ASSISTANCE PROGRAMS TO BE AUGMENTED AND EXPANDED IN SUCH AREAS AS DANGEROUS GOODS AND THEIR TRANSPORTATION, RESPONSE AND RESCUE RELATED TO PUBLIC TRANSPORT AND HEALTH CARE AND ISOLATED ENVIRONMENTS

(d) SO THAT INCREASED COOPERATION MAY BE PROMOTED AMONG MUNICIPALITIES IN MATTERS OF MUTUAL COOPERATION AND ASSISTANCE AND IN JOINT EXERCISE OF DISASTER PLANS WHERE ADVANTAGEOUS.

Disaster Assistance Program

The committee supports the objective of this program but suggests that in determining eligibility for assistance some consideration should be given to the degree of damage actually experienced. Severe localized damage from heavy rain, for example, may not be reflected in generalized meteorological data covering a wider area.

The committee therefore recommends:

B.38 THE CRITERIA FOR DETERMINATION OF ASSISTANCE TO COMMUNITIES SHOULD INCORPORATE "DEGREE OF DAMAGE" FACTORS IN ADDITION TO METEOROLOGICAL INFORMATION, SUCH AS SEVERITY OF RAINFALL, LOCALIZED DAMAGE AND OTHER FACTORS.

ALBERTA PUBLIC WORKS, SUPPLY AND SERVICES

Grants-in-lieu of Taxes

The committee is aware of concerns among municipalities regarding delays in payments. Some of these result from inaccurate or incomplete information being submitted by the municipalities and some from processing delays in the provincial administration. The committee is also concerned that some properties which are exempt from payment of grants-in-lieu are utilized to provide a province-wide or regional service but the residents of the site municipality have to bear the entire cost of providing municipal services.

The committee therefore recommends:

B.39 THAT THE TIMING OF THE PAYMENT OF GRANTS-IN-LIEU OF TAXES BE EXPEDITED TO COINCIDE WITH THE NORMAL TAX PAYMENT SYSTEM OF THE MUNICIPALITY OR ALTERNATIVELY THAT THE GOVERNMENT PAY AN ADVANCE OF 75% OF THE PREVIOUS YEAR'S GRANT ON JUNE 1st. (The committee notes that subsequent to its review of this program, the Crown Properties Municipal Grants Act was amended to authorize the Minister, rather than the Lieutenant Governor in Council to approve payment of these grants. This will speed up grant payments.)

B.40 THAT GRANTS-IN-LIEU OF TAXES BE PAID ON PROPERTIES CURRENTLY EXEMPTED UNDER LEGISLATION WHEN THOSE PROPERTIES SERVE A REGIONAL OR PROVINCIAL NEED RATHER THAN A LOCAL NEED ONLY.

RECREATION AND PARKS

Community Recreation/Cultural Grant Program

As noted in Section A, this new program embodies many of the principles suggested by the committee in its interim report. The committee does, however, wish to repeat one of its earlier recommendations:

B.41 THAT THE PER CAPITA ALLOTMENT OF GRANT DOLLARS UNDER THE COMMUNITY RECREATION/CULTURAL GRANT PROGRAM BE ADJUSTED ANNUALLY TO TAKE INTO ACCOUNT CHANGES IN THE RATE OF INFLATION.

Municipal Parks Operating Program

The committee is aware that applications under this program frequently exceed the budget available.

The committee therefore recommends:

B.42 THAT THE MUNICIPAL PARKS OPERATING PROGRAM BE CONTINUED AND THAT ANNUAL FUNDING BE INCREASED TO $100,000.

Recreation Areas Program

The committee recommends:

B.43 THAT THE RECREATION AREAS PROGRAM BE CONTINUED IN ITS PRESENT FORM.

Discover Alberta Program
Be Fit For Life Program
Hosting Grants Program

The committee recommends:

B.44 THAT THE DISCOVER ALBERTA PROGRAM, BE FIT FOR LIFE PROGRAM AND THE HOSTING GRANTS PROGRAM BE COMBINED INTO A NEW SPECIAL INNOVATIVE PROGRAMS FUND.

Recreation for the Disabled
Regional Sports Festivals
Trail Development Financial Assistance

The committee recommends:

B.45 THAT THE RECREATION FOR THE DISABLED, REGIONAL SPORT FESTIVAL AND TRAIL DEVELOPMENT FINANCIAL ASSISTANCE PROGRAMS BE CONTINUED.

Recreation Work Experience Program

The committee is aware that some rural municipalities have experienced difficulties in taking advantage of this program and believes that it should be examined to see if it could be made more effective for use in rural areas in Alberta.

The committee therefore recommends:

B.46 THAT THE RECREATION WORK EXPERIENCE PROGRAM BE REVIEWED BY RECREATION AND PARKS AND MANPOWER TO SEE IF IT CAN BE MADE MORE EFFECTIVE FOR USE IN RURAL AREAS.

SOCIAL SERVICES AND COMMUNITY HEALTH

Alberta Day Care Program

Recommendations on this program will be made by the Intermunicipality Task Force on Out-of-School Care Committee.

Family and Community Support Services

The committee is concerned that the administrative requirements of this program cause substantial record keeping and financial audits at all levels from the volunteer agency to the provincial government. Audited financial statements must be submitted by individual funded agencies, an overall audited financial statement is required of each municipality and a further financial audit is undertaken by provincial staff.

A second major concern is that because of the demand for FCSS programs and the limit on funds available, provincial contributions to many municipalities are in fact less than the 80% share envisioned by the program. For example, information provided to the committee indicates that in 1983 Edmonton recovered 66%, Calgary and Medicine Hat 69% of their FCSS expenditures from the provincial program.

Third, expenditures which are deemed ineligible during the audits are so determined after they have been expended. Such amounts, as well as any funds unexpended during the program year may not be carried forward to the succeeding year. This prohibits the accumulation of funds for emergencies or operating reserves, discourages long-term strategic planning and may promote unnecessary spending at the end of the program year to ensure that any outstanding surplus is spent.

The committee therefore recommends:

B.47 THAT THE PLANNING AND ADMINISTRATION COMPONENT OF THE FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM BE INCREASED SO AS TO PERMIT COST-SHARING OF A LARGER PROPORTION OF ACTUAL EXPENDITURES IN THESE AREAS IN ORDER TO ACHIEVE THE 80/20 COST-SHARING SPLIT.

B.48 THAT FUNDING FOR DIRECT SERVICES UNDER THE FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM BE ESTABLISHED AT A LEVEL SUFFICIENT TO ACHIEVE THE OBJECTIVE OF THE 80/20 COST-SHARING SPLIT BETWEEN THE PROVINCE AND THE MUNICIPALITIES.

SOLICITOR GENERAL

Law Enforcement Grant

Two major concerns were expressed to the committee. First, the per capita grant has not kept pace with increased costs of policing. For example, if the consumer price index increase had been applied since 1980 the grant would now be $26.14 per capita rather than $18.00. The relative significance of the assistance has decreased because of this. In Edmonton, for example, the grant dropped from 20% to 13.67% of the police expenditure from 1980 to 1984.

A second concern expressed was the perception among municipalities contracting with the R.C.M.P. for police services that the grant which they receive does not provide the same level of support as is provided to those with municipal police forces.

The committee therefore recommends:

B.49 THAT THE LAW ENFORCEMENT GRANT BE UPDATED FOR INFLATION SINCE 1980, THEN INDEXED FOR INFLATIONARY INCREASES IN FUTURE YEARS AND THAT THE RATIO OF POPULATION PER CONSTABLE BE REVIEWED.

B.50 THAT THE PER CAPITA LAW ENFORCEMENT GRANT FOR MUNICIPALITIES CONTRACTING WITH THE R.C.M.P. BE THE SAME PERCENTAGE OF THE PER CAPITA AMOUNT PAID TO MUNICIPALITIES WITH THEIR OWN POLICE FORCES AS THE CONTRACTING MUNICIPALITIES PAY OF THE R.C.M.P. CONTRACT COST.

Court Room Security Grant

The committee notes that the provision and operation of the court system is a provincial responsibility. Since court room security is an integral part of the operation of the courts, there should be full reimbursement of the costs incurred by municipal police forces in providing this service. In essence, the committee believes that this should be viewed as a contracted service which the province buys from municipal police forces.

The committee therefore recommends:

B.51 THAT THE COURT ROOM SECURITY GRANT BE INCREASED TO PROVIDE FUNDING FOR THE FULL COST OF COURT ROOM SECURITY.

Police Witness Grant

Also related to the operation of the courts are the costs incurred by municipalities in overtime payments to police officers attending court as witnesses outside of their regular working hours (in Edmonton about $2 million or 2.8% of the police budget). Authority to call police witnesses rests with the court system and it is not possible for municipal police forces to schedule shifts so that all officers can attend court during regular working hours.

The committee therefore recommends:

B.52 THAT THE PROVINCE OF ALBERTA REIMBURSE MUNICIPALITIES FOR ALL OVERTIME COSTS ASSOCIATED WITH THE PROVISION OF POLICE WITNESSES.

Special Events Policing Subsidy

A further policing cost which is beyond municipal control relates to policing services required in connection with state visits or other events of national or international significance.

The committee therefore recommends:

B.53 THAT THE PROVINCE OF ALBERTA FUND ALL INCREMENTAL COSTS OF POLICING FOR STATE VISITS OR SPECIAL EVENTS OF A PROVINCIAL, NATIONAL OR INTERNATIONAL SIGNIFICANCE WHICH ARE NOT SUBJECT TO A PROVINCIAL/MUNICIPAL COST-SHARING AGREEMENT.

Youth Guidance Grants

Since the 1950's the provincial government has provided 50% of the actual cost of youth related police programs. In recent years these grants have been limited by budget constraints and thus the 50% funding has been eroded.

The committee therefore recommends:

B.54 THAT THE BUDGET OF THE YOUTH GUIDANCE GRANT PROGRAM BE INCREASED TO PROVIDE 50% FUNDING FOR FULL TIME YOUTH RELATED PROGRAMS.

Liquor Control Act

This program provides $7.00 per day toward the cost of holding intoxicated persons in municipal cells until they are sober.

The committee recommends:

B.55 THAT THE LIQUOR CONTROL ACT PROGRAM BE INCREASED TO REIMBURSE MUNICIPALITIES FOR THE FULL COST OF HOLDING AN INTOXICATED PERSON.

Municipal Police Building Subsidy

The committee recognizes that this program has been beneficial for smaller urban municipalities. However, it ignores the needs of the major urban centres.

The committee therefore recommends:

B.56 THAT THE MUNICIPAL POLICE BUILDING SUBSIDY PROGRAM BE CONTINUED AND THAT AN ADDITIONAL COMPONENT BE ADDED TO ESTABLISH A MORE EQUITABLE FUNDING FORMULA FOR MAJOR URBAN MUNICIPALITIES.

Police Phase-in Grant

The committee recommends

B.57 THAT THE POLICE PHASE-IN GRANT BE CONTINUED.

Summer Village Policing

This program provides a grant of $500 per month from May 15 to November 15 to all summer villages to assist in defraying the cost of employing a special constable. The committee received strong representation from the Association of Summer Villages of Alberta regarding the evolving need for year-round policing. Summer villages are normally located at some distance from R.C.M.P. detachments which can only supply sporadic patrols during the winter months. However, the lakes are increasingly used year-round for recreation, including winter snowmobiling and cross-country skiing.

The committee therefore recommends:

B.58 THAT, DUE TO THE INCREASE IN WINTER RECREATION ACTIVITIES IN SUMMER VILLAGES INCLUDING ICE FISHING, SNOWMOBILING AND CROSS-COUNTRY SKIING, THE FUNDING FOR THE SUMMER VILLAGE POLICING PROGRAM BE INCREASED TO ALLOW FOR YEAR-ROUND POLICING IN SUMMER VILLAGES.

TOURISM AND SMALL BUSINESS

Alberta Locations Programming

The committee is concerned that some conditions of this program may detract from its effectiveness. In particular, the requirement for a council to pass a resolution to access the program denies any possibility of confidentiality which may be a requirement of prospective businesses.

The committee therefore recommends:

B.59 THAT A TOTAL REVIEW OF THE ALBERTA LOCATIONS PROGRAM BE UNDERTAKEN IN CONSULTATION WITH THE LOCAL COMMUNITIES TO DEVELOP A VIABLE PROGRAM.

Alberta Community Economic Development Program

The committee reported to the representative of Alberta Tourism and Small Business several suggestions/comments it had received regarding this program relative to closer relationships with the communities. The committee does not consider that any specific recommendation is necessary.

TRANSPORTATION

Urban Transportation Program - Basic Capital

The committee noted several positive aspects and improvements in this program over the previous program. Concern was expressed regarding the funding of special major projects, such as bridges and the ineligibility of residential street renovation under the program.

The committee therefore recommends:

B.60 THAT THE BASIC CAPITAL PROGRAM BE AMENDED TO INCLUDE RESIDENTIAL STREET CONSTRUCTION AND THAT THE PER CAPITA ALLOTMENT BE INCREASED FROM $70 TO $80 WITH THE $10 INCREMENT TO BE ALLOCATED TO REHABILITATION OF RESIDENTIAL STREETS.

B.61 THAT PROVISION BE MADE IN THE BASIC CAPITAL PROGRAM FOR A SPECIAL CATEGORY GRANT TO BE ADDED FOR SPECIAL PROJECTS OVER AND ABOVE NORMAL CONSTRUCTION .

Major Continuous Corridors and Primary Highway Connectors

Concern was expressed that the total funding ($26 million annually) may not be sufficient.

The committee therefore recommends:

B.62 THAT THE FUNDING FOR THE MAJOR CONTINUOUS CORRIDORS AND PRIMARY HIGHWAY CONNECTORS PROGRAM BE RESTORED TO $46 MILLION PER YEAR BASED ON THE AVERAGE FUNDING OVER THE PAST SIX YEARS.

Public Transit Operating

The committee expressed concern that the $8 per capita grant for conventional transit systems is unrelated to system costs, revenues or usership.

The committee therefore recommends:

B.63 THAT SUPPORT FOR CONVENTIONAL TRANSIT SYSTEMS UNDER THE PUBLIC TRANSIT OPERATING GRANT SHOULD BE BASED ON A TARGET OF 50% FROM SYSTEMS REVENUE, 25% FROM MUNICIPAL REVENUES AND 25% PROVINCIAL CONTRIBUTION.

B.64 THAT SUPPORT FOR PARA-TRANSIT SYSTEMS BE ENDORSED AND CONTINUED.

Primary Highway Maintenance Grant

The committee noted a concern that in some instances, due to their location, truck traffic had been banned from portions of primary highways within cities. Those areas are considered ineligible for this grant even though alternate truck routes are provided.

The committee therefore recommends:

B.65 THAT FOR PURPOSES OF THE PRIMARY HIGHWAY MAINTENANCE GRANT THE DEFINITION OF 'PRIMARY HIGHWAY' BE AMENDED TO INCLUDE ROUTES IN CITIES ON WHICH TRUCK TRAFFIC MAY BE RESTRICTED WHERE ACCEPTABLE ALTERNATE TRUCK ROUTES ARE PROVIDED.

Airport Development

Concern was expressed to the committee that the cost of operating and maintaining airports to licensed standards is becoming a burden in a number of municipalities.

The committee therefore recommends:

B.66 THAT A NEW COMPONENT BE ADDED TO THE AIRPORT DEVELOPMENT PROGRAM TO PROVIDE COST-SHARING OF THE OPERATION AND MAINTENANCE OF MUNICIPAL AIRPORTS WHICH ARE REQUIRED TO BE MAINTAINED TO LICENSED STANDARDS OF OPERATION.

Road Grants to Counties and Municipal Districts

The committee noted that the administrative requirements for this program have been simplified.

The committee therefore recommends:

B.67 THAT THE MINISTER OF TRANSPORTATION BE COMMENDED FOR SIMPLIFYING THE REGULATIONS RELATED TO THE ROAD GRANTS TO COUNTIES AND MUNICIPAL DISTRICTS.

Hamlet Street Assistance Program

No action is deemed required on this program.

Engineering Assistance Grant

The committee recommends:

B.68 THAT THE ENGINEERING ASSISTANCE GRANT PROGRAM BE MAINTAINED.

Street Assistance Program

The committee received some concerns about requirements to use private equipment and the cost-sharing percentages. However, the major concerns came from the Association of Summer Villages of Alberta regarding the calculation of grants to summer villages. The basic argument is that the permanent population has little to do with the road needs of a summer village.

The committee therefore recommends:

B.69 THAT THE STREET ASSISTANCE PROGRAM BE CONTINUED AND THAT THE CRITERIA FOR GRANTS TO SUMMER VILLAGES BE REVIEWED WITH CONSIDERATION BEING GIVEN TO BASING THE GRANT ON:

(a) THE NUMBER OF PROPERTIES IN THE SUMMER VILLAGE,

(b) THE NUMBER OF RESIDENCES IN THE SUMMER VILLAGE,

(c) THE NUMBER OF PROPERTIES PLUS A BONUS AMOUNT IF THE TRAFFIC COUNT ON AVERAGE IS MUCH ABOVE THE NORM FOR THE AREA, OR

(d) A COMBINATION OF SEASONAL AND PERMANENT RESIDENTS.

Railway Crossing Improvement Program
Culvert Assistance Program

The committee recommends:

B.70 THAT THE RAILWAY CROSSING IMPROVEMENT PROGRAM AND THE CULVERT ASSISTANCE PROGRAM BE CONTINUED.

UTILITIES AND TELECOMMUNICATIONS

Utilities Officer Program

While this program is generally viewed favorably some concern was expressed regarding increases in the grant to match inflation and with respect to training opportunities in more distant areas.

The committee therefore recommends:

B.71 THAT THE UTILITIES OFFICER PROGRAM FUNDING BE ADJUSTED TO REFLECT INFLATION SINCE THE INCEPTION OF THE PROGRAM AND THAT MORE EMPHASIS BE PLACED ON ESTABLISHING TRAINING PROGRAMS ON A REGIONAL BASIS WITH FINANCIAL ASSISTANCE PROVIDED FOR TRAVEL AND SUBSISTENCE FOR PARTICIPANTS.

Rural Gas Program

The committee recommends:

B.72 THAT THE RURAL GAS PROGRAM BE CONTINUED AND THAT THE FUNDING FOR REPLACEMENT OF SUBSTANDARD PCV PIPE BE ACCELERATED.

Alberta Water Supply and Sewage Treatment Grant Program

The committee noted that Edmonton and Calgary are specifically excluded from this program. Secondly, there is growing recognition of the need to undertake rehabilitation and renewal of existing systems.

The committee therefore recommends:

B.73 THAT THE ALBERTA WATER SUPPLY AND SEWAGE TREATMENT GRANT PROGRAM BE CONTINUED AND MODIFIED TO;

(a) INCLUDE AN ADDITIONAL COMPONENT FOR MUNICIPALITIES OVER 100,000 POPULATION WITH THE NECESSARY INCREASE IN THE GLOBAL BUDGET

(b) INCLUDE REHABILITATION AND RENEWAL OR REPLACEMENT OF EXISTING DISTRIBUTION AND COLLECTION FACILITIES

Northern Supplementary Fund

The committee recommends:

B.74 THAT THE NORTHERN SUPPLEMENTARY FUND BE CONTINUED.

Regional Utility Program

The committee recommends:

B.75 THAT THE REGIONAL UTILITY PROGRAM BE AMALGAMATED AS AN ELEMENT OF THE ALBERTA WATER SUPPLY AND SEWAGE TREATMENT GRANT PROGRAM AND THAT UNDER THE REGIONAL ELEMENT THE GRANT BENEFIT APPLY TO THE WHOLE FACILITY REQUIRED TO SERVE THE REGION REGARDLESS OF OWNERSHIP.

SECTION C

LONG TERM RECOMMENDATIONS

In Sections A and B the committee has presented recommendations for short-term improvements in transfer programs and provincial/municipal relations. Most of these could be implemented for the 1986/87 year.

The committee now wishes to address longer term issues which should be the subject of discussion by the consultative mechanisms described in recommendations A.4 and A.5.

Many of the recommendations in Section B relate to increases in funding which may seem to be beyond the terms of reference of the committee. However, the level of funding is a condition of a grant program which has direct impact on a municipality.

A condition of many grant programs is that 50/50, 75/25 or 80/20 provincial/municipal cost-sharing will be provided. However, if the budget allocation is not sufficient to enable the province to bear its committed share, the objective of the program is frustrated and the plans of municipalities are disrupted.

In addition, such cost-sharing programs always beg the question "50% of what?". In most such programs, provincial rules, not local decisions, determine the total amount.

In such situations municipalities have little or no option but to lobby the province for more money for the program generally or for special treatment for their own circumstances. The committee does not believe this is conducive to good provincial/municipal relations nor does it facilitate effective planning for an efficient use of the public funds involved, whether locally or provincially generated.

There needs to be a definite policy decision by the government to move away from conditional grant programs toward a comprehensive unconditional transfer program.

The achievement of such a major reform of traditional practices will require both commitment by the Premier and Executive Council as direction to the provincial administrators and commitment by mayors/reeves and members of councils to limit requests for conditional grants.

ALBERTA PARTNERSHIP TRANSFER PROGRAM (A.P.T.)

The Municipal Assistance Grant program provides the basic structure for the **ALBERTA PARTNERSHIP TRANSFER PROGRAM** (A.P.T.) to which additional components should be added. A.P.T. would be composed of the following:

Equity Component

The current Municipal Assistance Grant increased by the annual reduction in funds required for the Municipal Debenture Interest Rebate Program.

Per Capita Component

(a) Policing — to replace the current Law Enforcement Grant program and payable to municipalities with their own police force or contracting with the R.C.M.P.

(b) Recreation — to replace the current Community Recreation Cultural Grant Program and payable to all municipalities

(c) Social Services — to replace the current Family and Community Support Services grant program and payable to all municipalities participating in an F.C.S.S. program.

(d) Transportation — to replace the current Basic Capital and Public Transit Operating components of the Urban Transportation Assistance program, the Streets Assistance Program for Towns and Villages and the Public Transportation Operating Assistance Program for all municipalities.

The committee recognizes that implementation of this concept may require changes in legislation or regulations as well as a policy decision by the government. Most importantly, it will require a change in thinking by provincial and municipal elected and appointed officials. PROVINCIAL DEPARTMENTS WILL NOT BE ABLE TO USE THESE GRANT FUNDS AS ENCOURAGEMENTS TO SPECIFIC DECISION-MAKING BY MUNICIPALITIES. MUNICIPALITIES WILL HAVE TO TAKE RESPONSIBILITY FOR THEIR OWN DECISIONS IN THESE AREAS AND WILL NOT BE ABLE TO BLAME PROVINCIAL PROGRAM CONDITIONS FOR THEIR DECISIONS.

The committee believes that the target date for full implementation of A.P.T. should be no later than April 1, 1990, to permit sufficient time for the policy and regulatory revisions necessary and the development of payment processes by Municipal Affairs.

The committee therefore recommends:

C.1 THAT THE GOVERNMENT OF ALBERTA APPROVE THE ESTABLISHMENT OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM AND DIRECT ALL NECESSARY ACTION TO BE TAKEN FOR FULL IMPLEMENTATION NO LATER THAN APRIL 1, 1990.

C.2 THAT THE ALBERTA PARTNERSHIP TRANSFER PROGRAM BE COMPOSED OF

(a) EQUITY COMPONENT - THE EXISTING MUNICIPAL ASSISTANCE GRANT PROGRAM (INCREASED BY THE ANNUAL REDUCTION IN FUNDS REQUIRED FOR THE MUNICIPAL DEBENTURE INTEREST REBATE PROGRAM) PAYABLE TO ALL MUNICIPALITIES.

(b) PER CAPITA COMPONENT

(i) POLICING -$A PER CAPITA TO MUNICIPALITIES WITH THEIR OWN POLICE FORCE, THE SAME PERCENTAGE OF $A PER CAPITA TO CONTRACTING MUNICIPALITIES AS THEY BEAR OF THE R.C.M.P. CONTRACT COST

(ii) RECREATION - $B PER CAPITA PAYABLE TO ALL MUNICIPALITIES

(iii) SOCIAL SERVICES - $C PER CAPITA PAYABLE TO ALL MUNICIPALITIES PARTICIPATING IN A FAMILY AND COMMUNITY SUPPORT SERVICES PROGRAM

(iv) TRANSPORTATION -

(a) $D PER CAPITA TO ALL CITIES (BASIC CAPITAL)

(b) $E PER CAPITA TO ALL MUNICIPALITIES OPERATING A PUBLIC TRANSIT SYSTEM

(c) $F PER CAPITA TO ALL MUNICIPALITIES OPERATING A PARA TRANSIT SYSTEM

(d) $G PLUS $H PER CAPITA TO ALL TOWNS AND VILLAGES (STREET ASSISTANCE)

(e) $I PLUS $J PER OCCUPIED RESIDENTIAL LOT TO ALL SUMMER VILLAGES (STREET ASSISTANCE)

C.3 THAT THE TOTAL BUDGETARY ALLOCATION FOR THE EQUITY COMPONENT BE ADJUSTED ANNUALLY BY THE CHANGE IN THE TOTAL POPULATION OF ALBERTA AS DETERMINED PURSUANT TO THE PROPERTY TAX REDUCTION ACT AND BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

C.4 THAT THE PER CAPITA AMOUNTS IN THE PER CAPITA COMPONENT BE ADJUSTED ANNUALLY BY THE CHANGE IN THE APPROPRIATE INDEX OF INFLATION.

C.5 THAT UPON IMPLEMENTATION OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM THE FOLLOWING PROGRAMS BE TERMINATED:

-MUNICIPAL ASSISTANCE GRANT
-LAW ENFORCEMENT GRANT
-COMMUNITY RECREATION/CULTURAL GRANT
-FAMILY AND COMMUNITY SUPPORT SERVICES GRANT
-BASIC CAPITAL GRANT (URBAN TRANSPORTATION)
-PUBLIC TRANSPORTATION OPERATING ASSISTANCE
-STREETS ASSISTANCE PROGRAM

C.6 THAT THE IMPLEMENTATION OF THE ALBERTA PARTNERSHIP TRANSFER PROGRAM AND THE CONSIDERATION OF ITS EXPANSION TO INCLUDE ADDITIONAL COMPONENTS TO REPLACE OTHER EXISTING GRANT PROGRAMS BE THE SUBJECT OF ON-GOING DISCUSSION BY THE CONSULTATIVE MECHANISM DESCRIBED IN A.4 AND A.5.

APPENDIX A

PROPOSAL: MUNICIPAL ASSISTANCE GRANTS IN IMPROVEMENT DISTRICTS

1. ISSUE: The Municipal Assistance Grants for all rural municipalities in Alberta are based on three elements: population, local road kilometerage and equalized assessment.

It is the contention of the Improvement Districts Association of Alberta that this standard formula does not take into account the developing nature of most improvement districts or even the differences between improvement districts. Most improvement districts are not incorporated because they have a lower fiscal capacity than most incorporated rural municipalities, they have extensive requirements for infrastructure development -- often for a scattered population -- they contain much of the new agricultural lands often with requirements for expensive drainage and erosion control programs and there are other development pressures related to industrial activity. The Municipal Affairs Grant formula as currently constituted does not recognize these differences.

2. PROPOSAL: This proposal is in two parts: the first part represents a suggestion for immediate action, the second part deals with a more long-term approach to the issue.

(a) Immediate Action: A "development" component, calculated in percertage terms, should be added to the equitable grant figures as follows:

- Industrial Improvement Districts - 10%
- Agricultural Improvement Districts - 20%

Improvement districts considering incorporation (currently I.D.'s 7, 8 and 14) would have no "development" component added.

In other words the grant amount for I.D.'s 6, 19, 20, 21 and 22 should be 120% of the equitable figure as calculated by the current formula and for I.D.'s 5, 15, 16, 17, 18 and we it should be 110% of the equitable figure.

The Improvement Districts Association of Alberta would also strongly support the extension of this "development" component to other municipalities, such as M.D. 99, which face similar differences from the rural municipal norm. In which case a "development component could also be added for I.D.'s 7, 8 and 14.

(b) Long-Term Action: In the long-term the Province should consider a more sophisticated approach than is suggested to meet immediate concerns. Grants should be based on a detailed fiscal needs assessment taking into account much more than population, roads and fiscal capacity. Size of service areas, major differences in infrastructure and service costs will all have to be taken into account.

The Improvement Districts Association of Alberta is of the opinion, however, that we cannot expect a more sophisticated approach so soon after the introduction of an equitable grant formula. Until present disparities have been largely removed it would be unrealistic to shift the base of the grant formula once again.

The Improvement Districts Association of Alberta urges a serious consideration of immediate action to make the municipal grant formula more applicable for improvement districts and other developing rural municipalities and would suggest an early start on the development of a more sophisticated formula for introduction in 1988 or 1989.